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Singapore

Dried Fruit

Report

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Report Highlights:

The Singapore dried fruit market is made of about US\$142 million in imports, made of mainly dried raisins and other dried fruits such as dried prunes, dried apricots and dried peaches. Dried raisins form around 51% of total import value.

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The Singapore Dollar (S\$) in this report has been translated to US\$ at the rate of S\$ 1.68 to US\$ 1.00.

1. Introduction

This report covers the following types of dried fruits:

- Raisins.
- Prunes.
- Peaches.
- Apple.
- Orange (peel).
- Apricots.

2. Singapore in profile

Singapore (population of 3.3 million) is one of the most affluent nations in Asia with a GDP per-capita of about US\$22,000 today. About 22% of the population are aged 15 years and below, which represents a sizeable pool of future consumers who will be an important driver for increased consumption of imported food and beverages in future.

Over 76% of its population make up the middle to upper income group of consumers, all of whom lead an urban lifestyle and represent the bulk of the market for imported food and beverages today.

Singapore's economy is based mainly on its strong export manufacturing and financial and business service sectors. Until recently, its economy has been growing in excess of 8% per annum. In 1999, Singapore reported annual GDP growth of about 5.5%, up from 1.3% in 1998, the year when its economic growth contracted as a result of the impact of the Asian economic downturn. The government forecasts economic growth for 2000 to be between 8% to 8.5%.

3. Singapore's importance as a regional distribution hub

Singapore is generally recognised as Southeast Asia's main distribution hub. The facilities offered by its airport and seaport have encouraged a large number of businesses, including food and ingredient suppliers, to base their operations in Singapore to serve their regional markets.

In 1999, US\$ 1.39 billion of food and beverages were re-exported from Singapore to various countries in the world. Of this, around 30% were shipped to ASEAN countries, with Malaysia being the main destination.

About 59% of imported dried fruit are re-exported to as many as 29 different countries worldwide. Re-export to neighbouring ASEAN countries form significant proportions, as much as 100 % for some product segments, of the re-export trade out of Singapore. More details on this matter are provided in the next chapter to this report.

4. Singapore's dried fruit market

Singapore's market for dried fruits is supplied solely by imports. It imports dried fruits for its own consumption and for re-export to other countries in Asia and the Pacific islands.

4.1 Market size

The market is made up of around US\$ 14.2 million in imports of dried fruits, made up of mainly dried raisins and other dried fruits such as dried prunes, dried apricots and dried peaches. Dried raisins form around 51% of total import value. The re-export market of dried fruits amounts to around US\$7.9 million, of which 72 % was for dried raisins.

4.2 Imports

The Table below provides the total imports of dried fruits for the five years from 1995 to 1999.

Dried Fruits Imports (Tonnes)					
	1995	1996	1997	1998	1999
Raisins	5,478	4,991	4,892	3,173	4,087
Peel of citrus fruits ¹	84	135	102	40	19
Other dried fruits ²	2,697	2,777	2,734	2,563	2,658
Total (Tonnes)	8,259	7,903	7,728	5,776	6,764
Total (US\$ million)	16.5	15.7	16.2	12.1	14.2
% change in imports (Tonnes)		-4.3	-2.2	-25.2	+17.1
Note: ¹ Includes orange peel. ² Includes prunes, peaches, apples, apricots. Although Singapore imported 6,949 tonnes of lemon/limes fresh or dried in 1999, trade sources comment that the bulk of this is for fresh lemon/limes. Hence, this category has been excluded from this Table. Source: Department of Statistics					

Trade sources estimate that dried apricots, dried apples, dried prunes, raisins, dried peaches and orange peel together make up about 80% of the total dried fruits import market.

The top 3 major supply countries in 1999 are shown by the Table below.

Major Supply Countries and Their Import Market Shares (1999)

Raisins	USA (66%), Iran (13%), South Africa (7%)
Prunes	USA (81%), China (14%), Egypt (3%)
Apple	USA (90%), Germany (4%), Australia (4%)
Apricots	Turkey (90%), Pakistan (5%), China (3%)
Other dried fruits (inc. peaches)	China (58%), Thailand (16%), Iran (12%),
Peel of citrus fruits (inc orange peel)	Australia (53%), Malaysia (37%), Taiwan (5%)
Source: Department of Statistics	

Quite a number of countries supply dried fruits to Singapore. In 1999, there were 15 countries involved in supplying dried raisins, 8 countries involved in supplying dried prunes, 4 countries involved in supplying dried apples, 6 involved in supplying dried apricots, 22 involved in supplying other dried fruits and 4 countries involved in supplying peel of citrus fruits (inc orange peel) to Singapore.

The USA is the leading supplier of the following dried fruits to Singapore with the following market shares:

- Dried raisins (66%).
- Dried prunes (81%).
- Dried apples (90%).

Its major competitors for dried fruits are:

- Turkey (dried apricots).
- China (other dried fruits inc. peaches).
- Australia (peel of citrus fruits inc. orange peel).

4.3 Re-exports

The Table below provides the total re-exports of dried fruits from Singapore for the five years from 1995 to 1999.

Dried Fruits Re-Exports (Tonnes)					
	1995	1996	1997	1998	1999
Raisins	4,028	3,790	3,691	2,344	3,094
Peel of citrus fruits ¹	49	21	7	13	10
Other dried fruits ²	1,166	1,043	1,034	989	869
Total (Tonnes)	5,243	4,854	4,732	3,346	3,973

Total (US\$ million)	9.3	8.5	8.8	6.6	7.9
% change in re-exports(Tonnes)		-7.4	-2.5	-29.3	+18.7
¹ Includes orange peel. ² Includes prunes, peaches, apples, apricots. Source: Department of Statistics					

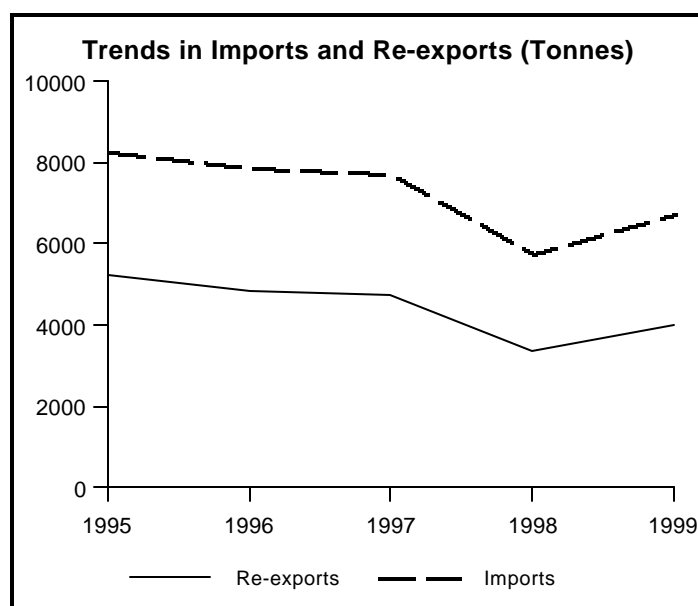
Singapore re-exports dried fruits to over 29 different countries. Dried raisins formed 65% of the re-export trade in 1999. The main re-export destinations for dried fruits are Malaysia, the Philippines and Brunei.

Re-exports to ASEAN countries formed significant proportions of total re-export quantities in 1999, as shown below:

- Raisins dried: 98 %
- Prunes dried: 96 %
- Apples dried: 100 %
- Apricots dried: 99 %
- Other dried fruits (inc. peaches): 73 %
- Peel of citrus fruits (inc orange peel): 70 %

4.4 Growth prospects

The Chart below shows the trends in imports and re-exports of fresh temperate fruits over the five years to 1999.



The Table above indicates that overall imports as well as re-exports of dried fruits have been declining since 1995. The dried fruits which were negatively affected were raisins (25.4% decline compared to 1995, sourced mainly from the USA).

Trade sources comment that the dried fruits market has been long established and there was not much growth in demand for the past three years. The market for dried fruits is static at present and is forecast to grow slowly over the next three years. This is because:

- The main area of growth in the snacks market is in extruded snacks and potato chips, not dried fruits.
- In the bakery sector, some growth is forecast in baked products containing dried fruits but the market demand for other types of baked products is expected to remain strong in future.
- In the food service sector, demand for dried fruits is consistent but quite stagnant. Trade sources comment that demand is unlikely to change significantly in future.

On the positive front, opportunities still continue to exist in:

- The bakery sector, for all types of dried fruits. Some growth is expected for baked products containing dried fruits. Baked products containing dried fruits remain a small niche in the bakery sector mainly due to lack of new introductions into the baked products market. This presents opportunities that can be exploited by US suppliers who plan to remain in the Singapore market for the long term.
- Higher end café and other similar food service outlets, e.g. retail bakeries. A large number of such establishments have started operation in the high traffic Orchard Road area which pull in middle to high income earners as well as tourists and foreign business visitors. These café's have started to establish outlets in the higher end neighbourhoods. This trend is expected to continue into the future. Like bakeries, such food service outlets offer very limited varieties of baked products containing dried fruits. This presents opportunities that can be exploited by US suppliers who plan to remain in the Singapore market for the long term.
- The retail sector, particularly raisins in small packaging targeted at young children aged three to ten. The more health conscious parents will continue to buy raisins as snacks for their young children as they consider extruded snacks and potato chips to be unhealthy snacks which should not be consumed on a regular basis, particularly by young children. Opportunities exist for US exporters of raisins to further exploit this trait.

Trade sources comment that opportunities exist for the re-export of dried fruits to:

- Malaysia (population of 22 million). Malaysia's economy is picking up and consumer confidence is high. Consumer spending is expected to pick up over the next three years which

shall present opportunities to suppliers of dried fruits. However, the Ringgit exchange rate still has a negative impact on demand for imported products and US exporters need to monitor the situation to assess the impact on future demand for imported products into Malaysia. In addition, the Malaysian retail sector is changing with the entrance of hypermarkets and other large retail stores. Re-exporters will have to deal with these new challengers. This market may become more difficult for some imported products, particularly niche products, in future.

- Brunei (population of 0.3 million). Demand will continue to exist for imported dried fruits as it imports all its requirements for dried fruits from overseas suppliers.

The above countries exhibit similar market demand characteristics to Singapore and therefore similar products may be re-exported to these countries.

US exporters intending to explore the opportunities highlighted above are advised to perform detailed market research in these markets to better understand the market characteristics and identify in more detail the opportunities for their products types.

5. Consumer tastes and preference

Apart from raisins which are usually consumed by very young children, dried fruits are not considered as snack products by most Singaporeans. The bulk of imported dried fruits are used by the bakery sector in Singapore. Only small quantities of dried fruits are sold in retail outlets, usually displayed in the bakery ingredients section of the retail stores.

Demand for dried fruits have been steadily declining over the past five years. The following demand traits exist in this market:

- Trade sources from the bakery sector commented that customers generally demand baked products such as savoury buns more than baked products containing fruits and nuts, hence demand for dried fruits by the bakeries is generally low compared to demand for other bakery ingredients. The main dried fruit used by the bakery sector is raisin. Trade sources from this sector commented that raisins from the USA are frequently used by them as the quality is acceptable to them. In addition, raisins from the USA are readily available to them from local importers/distributors.
- The retail sector for dried fruits comprise of mainly raisins. Raisins are usually given by parents to their young children as snack items. The decision to purchase is usually made by the parents rather than persuasion by the children. However, other snack products such as potato chips and other extruded snack products are becoming increasingly popular with parents and children alike and are starting to replace traditional snack products such as dried fruits
- Dried prunes are consumed by Singaporeans as an aid to relieve constipation and are usually purchased for this purpose, not as a snack product. As Singaporeans consume large quantities of fresh vegetables, they have a high intake of roughage in their diet. For this reason, demand

for dried prunes is generally low.

- Except for raisins and prunes, most dried fruits are niche products in the retail sector. Dried orange peel is traditionally used in some home cooked medical dishes. Other dried fruits are ingredients used in baking cakes and alike. Quantities demanded are generally low as most Singaporeans do not bake cakes and biscuits at home. Dried apples and dried apricots are relatively new products in the market and are still not understood by the majority of Singaporean consumers. Expatriates form an important base for the more exotic dried fruits such as apricots, apples and pears.
- In the food service sector, trade sources comment that dried fruits are minor products used by restaurants in their baked products. Dried fruits from the USA are frequently used by this sector but quantities demanded are very small. Dried fruits from the USA are readily available from local importers/distributors.

6. Brief import requirements for dried fruits

Singapore is virtually a free port. No import duty is imposed on imported dried fruits. A Goods and Services Tax (GST) at the rate of 3% is imposed on the importation of goods into Singapore, calculated based on the CIF (Cost, Insurance, Freight) value in Singapore dollars.

The import and sale of food products in Singapore are governed by the Sale of Food Act and the Food Regulations. Food imported for sale in Singapore are required to comply with the food standards and labelling requirements stipulated in the Food Regulations.

All imported foodstuffs have to be registered with the Food Control Department. Registration can be done by sending the Department a copy of the inward declaration that has been approved by the Singapore Trade Development Board. Registration covers a one year period for a particular product.

When food enters Singapore, companies must submit the proper documentation to the Controller of Imports and Exports. An inward cargo manifest must be submitted to Customs within 24 hours of arrival of the carrier. All declarations are required to be submitted and approved electronically through the EDI network called the TradeNet System.

Preserved fruits, including dried fruits, will only be approved for importation subject to compliance with the Food Regulations. The Food Regulations cover minimum or permitted levels of a wide range of food additives in each food type, packaging, labelling requirements, sale by date and health claims by products. The regulations are strictly applied and enforced to maintain the highest possible quality for food to ensure the safety of its Singapore residents.

The local importer may wish to send the product samples to the local accredited laboratories for testing to find out whether the food products conform with the Singapore Food Standards before importing the consignments into Singapore.

The Singapore government's policy is to keep its food regulations up-to-date and in line with all new aspects of food technology and production. For this reason, the reader is advised to check on the most recent legislation as they are likely to be changes in future.

7. Distribution patterns

Dried fruits are imported into Singapore by local importers. The dried fruits are then distributed via distributors to retail outlets, bakeries and food service outlets throughout Singapore.

The bulk of dried fruits are used as ingredients by the bakery sector. Smaller quantities are demanded by the food service sector, particularly higher end restaurants located in hotels and higher end café and other similar food service outlets where baked products are in the menu. Dried fruits are also purchased in small quantities as snacks by consumers through the retail outlets.

Dried fruits are distributed to:

- Supermarkets and minimarkets.
- Local neighbourhood grocery stores.
- Bakeries.
- Higher end café and other similar food service outlets.
- Hotels.

There are no special warehousing or handling requirements for packaged dried fruits being distributed in Singapore. However, the quality of packaging is important because insect infestation and mold can be a problem in Singapore's distribution system.

US exporters targeting the main supermarket channels should note that most of these businesses now impose listing fees on packaged items and operate category management systems. Under such systems, the performance of a product is closely monitored. If a product's performance fails to satisfy the requirements of the retailer, it will likely be de-listed and removed from the display shelf and replaced by more profitable products.

Trade sources comment that dried fruits can be re-exported or trans-shipped in its original packing to other ASEAN countries without any need for re-packing or re-labelling. However, some changes are taking place affecting import regulations in Thailand. Import of food products into Thailand is generally difficult because of the need to register the products for import into the country. In this case, it is best that local Thai importers are appointed to deal with all Thai import regulations.

Appendix A: List of importers

Aaron Food Industries Pte Ltd
17 Lorong Tukang Satu
Singapore 618887
Tel: 268 8289
Fax: 268 9228

Auric Pacific Marketing Pte Ltd
2 Enterprise Road
Singapore 629814
Tel: 261 8411
Fax: 265 0689

Ban Hock Trading Pte Ltd
34 Woodlands Terrace, Woodlands East Industrial Estate
Singapore 738453
Tel: 754 6177
Fax: 754 6727

Cold Storage Singapore (1983) Pte Ltd
1 Sophia Road #06-38
Singapore
Tel: 337 2766
Fax: 334 4090

Diethelm Singapore Pte Ltd
34 Boon Leat Terrace
Singapore
Tel: 471 1466
Fax: 479 9104

Golden Horn Pte Ltd
90 Lorong 23, Geyland, #05-00
Singapore 388393
Tel: 741 7780
Fax: 741 7748

Gold Kili Trading Enterprise (Singapore) Pte Ltd
48 Senoko Drive
Woodlands East Industrial Estate
Singapore 758231
Tel: 854 2775
Fax: 854 2558

Interstates Market Pte Ltd
680 Upper Thomson Road
Singapore 787103
Tel: 450 9849
Fax: 458 8975
(Related to NTUC)

Kee Wee Hup Kee Food Manufacture Pte Ltd
24 Tuas Ave 7
Singapore 639274
Tel: 861 0696
Fax: 861 5581

N.O.I. Food Products Pte Ltd
33 Chin Bee Crescent
Singapore 619901
Tel: 264 1218
Fax: 265 2515
(Related to Tong Garden)

NTUC Fairprice Co-Operative Ltd
680 Upper Thomson road
Singapore 787103
Tel: 456 0233
Fax: 450 9740

Santa Boeki Pte Ltd
15 Chin Bee Crescent
Singapore 2261
Tel: 265 8560
Fax: 265 2682

Shop N Save Pte Ltd
48 Lorong 21 Geyland #04-01
Singapore 388464
Tel: 843 0639
Fax: 842 7488

YHI Fabian (Singapore) Pte Ltd
2 Pandan Road
Singapore 609254
Tel: 265 6411
Fax: 266 5368

Appendix B: Retail Price Sample

Product type	Source	Unit Price (\$)
Raisins	USA	3.90/500g
Apples dried	NI	6.35/250g
Apricot dried	USA	3.90/250g
Prunes dried	USA	2.20/100g
Prunes pitted	USA	2.90/100g
Peaches dried	USA	2.20/70g
Mixed peel inc. orange peel	NI	1.75/150g
NI: Country source not indicated. Source: Market observations conducted in September 2000		